



Department of Housing and Urban Development  
Public and Indian Housing

Special Attention:  
Section 8 Public Housing Agencies  
and Indian Housing Authorities;  
Public Housing Office Directors;  
Administrators, Offices  
of Native American Programs

**Notice PIH 98-18 (HA)**

Issued: March 19, 1998

Expires: February 28, 1999

Cross References:

Notice PIH 98-13 (HA)

Subject: Correction to Notice PIH 98-13(HA) - Form HUD-50058 -  
Special Instructions for the Section 8 Certificate  
Over-FMR Tenancy Option (OFTO)

**1. Purpose.** Notice PIH 98-13(HA), issued February 20, 1998, contains an error on line jj of the OFTO rent calculation formula attached to the notice. Line jj of the OFTO prorated rent calculation for a mixed family under the noncitizen rule incorrectly says that the prorated HAP to owner is line e (rent to owner) minus line gg (mixed family total family contribution). The correct calculation for line jj is line e (rent to owner) minus line hh (mixed family rent to owner). This notice provides the corrected OFTO rent calculation formula.

**2. Instructions.** Remove the original OFTO rent calculation formula attached to Notice PIH 98-13(HA) and replace it with the attached corrected formula.

/s/

Deborah Vincent

General Deputy Assistant Secretary for  
Public and Indian Housing

Attachment

**Section 8 Certificate Over-FMR Tenancy Option (OFTO)**  
**(except manufactured home owner renting the space)**

	a	FMR or HUD-approved Exception Rent <b>(Report on line 11j)</b> (i.e., OFTO "payment standard")
	b	TTP: highest of 9c, 9f or 9g
▼	c	Maximum Subsidy: a minus b
	d	Utility Allowance, if any <b>(Report on line 11m)</b>
▼▼	e	Rent to Owner <b>(Report on line 11k)</b>
	f	Gross Rent of Unit: d plus e <b>(Report on line 11n)</b>
▲	g	Gross Rent less Maximum Subsidy: f minus c
▲	h	HA Minimum Rent: copy 9h <b>(If prorated rent, skip to aa)</b>
	i	Total Family Contribution: higher of g or h
▼	j	Gross Rent less Contribution: f minus i
▼▼	k	Total OFTO Subsidy: lower of c or j <b>(Report on line 11r)</b>
	l	HAP to Owner: lower of e or k
	m	Family Rent to Owner: e minus l
	n	Reserved
	o	Utility Reimbursement to Family: k minus l
		<b>OFTO Prorated Rent Calculation (under noncitizen rule)</b>
▼	aa	Gross Rent minus HA Minimum Rent: f minus h
	bb	Normal Total HAP: lower of c or aa
	cc	Total Number Eligible <b>(Report on line 11ae)</b>
	dd	Total Number in Family <b>(Report on line 11af)</b>
	ee	Proration Percentage: cc/dd <b>(Report on line 11ag)</b>
	ff	Prorated Total HAP: bb x ee <b>(Report on line 11ah)</b>
	gg	Mixed Family Total Family Contribution: f minus ff <b>(Report on line 11ai)</b>
	hh	Mixed Family Rent to Owner: gg minus d. <i>If positive or 0, enter here. If negative, enter on line hh below</i>
CR	hh	<i>Credit tenant (utility reimbursement)</i>
	ii	Reserved
	jj	Prorated HAP to Owner: e minus hh <i>(If hh is negative, put e)</i>

(Corrected 3/12/98)

- ▲ - Marks lines that will be compared and you will take the larger  
 ▼ - Marks lines that will be compared and you will take the smaller